

DTE 05-27
June 29, 2005

Witness Responsible: Kevin Friary

DTE IR 1-1 (to Local 273)

Q: Please refer to Motion at 1. Local 273 states, "NiSource, the parent company of Bay State, has recently chosen IBM to outsource jobs in as many as seven NiSource departments." Provide all documentation and memorandum available to Local 273 to support this assertion.

A: At the time Local 273 filed its Motion, the statement quoted above was based on:

1. The "NiSource Outsourcing Fact Sheet, April 29, 2005" that was appended as Attachment A of the Motion, and which states, in part, "NiSource has selected IBM as the business service provider with whom the company will move forward into a period of exclusive negotiations toward a contract to outsource business support activities.

2. The May 24, 2005 "Dear Colleague" letter from NiSource President Bob Skaggs appended as Attachment B of the Motion, and which states, in part, "[W]e entered exclusive negotiations with IBM . . . [W]e are mindful of the commitment we made to you and all employees in these functional areas to have specific information available during June. . . [W]e are beginning a thoughtful and disciplined transition staffing process. . . The agreement [with IBM] will also result in some job eliminations."

3. The June 3, 2005 Quincy-Patriot Ledger article "Layoffs loom for workers at Bay State Gas," appended to the Motion as Attachment and which states that NiSource is "considering farming out seven [sic] internal functions: information technology, human resources, customer services, billing, finance and accounting," citing NiSource spokeswoman Carol Churchill as the newspaper's source.

Subsequently, on June 21, 2005, Local 273 filed a Reply to the Company's Opposition to the Motion, and appended as Attachment 1 a June 21, 2005 letter from Bob Skaggs, stating that NiSource "signed a definitive agreement with IBM;" listing seven departments that will be affected; and noting that "some [employees] will be scheduled for release." Local 273 also appended a June 21, 2005 letter from Jovette Pino, NiSource Human Resources, to Kevin Friary, noting "the elimination of certain work" among the billing/payment department employees.

All of these documents have been filed with the Department and served on parties.

DTE 05-27
June 29, 2005

Witness Responsible: Kevin Friary

DTE IR 1-2 (to Local 273)

Q: Please refer to Motion at 1. Local 273 states that NiSource began circulating a document entitled “NiSource Outsourcing Fact Sheet” on April 29. Please provide the “NiSource Outsourcing Fact Sheet.”

A: The April 29, 2005 “NiSource Outsourcing Fact Sheet” is Attachment A to the Motion.

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June 29, 2005

Witness Responsible: Kevin Friary

DTE IR 1-3 (to Local 273)

Q: Please refer to the Motion at 2. Local 273 states that NiSource circulated a memorandum on May 24, 2005, “advising employees that the outsourcing arrangement with IBM ‘will result in some job eliminations.’” Please provide this memorandum.

A: The referenced memorandum is in the form of a “Dear Colleague” letter from Robert Skaggs dated May 24, 2005, and is Attachment B to the Motion.

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Witness Responsible: Kevin Friary

DTE IR 1-4 (to Local 273)

Q: Please refer to the Motion at 2. Local 273 states that 100 jobs at Bay State may be affected by the outsourcing activity. Please explain how Local 273 arrived at the figure of 100 Bay State jobs, providing all documentation and memorandum available to Local 273 to support this assertion.

A: As noted in Local 273's response to DTE IR 1-1, and as confirmed in the June 21, 2005 letter from Bob Skaggs, customer services (or "Customer Contact Centers") and billing (or "meter to cash") are two of the departments or functions where NiSource intends to make job cuts in connection with signing the IBM outsourcing contract. In Massachusetts, approximately twenty-five Local 273 members are employed in the billing department in Brockton. Local 273 also understands that there are approximately seventy-five (or more) unionized employees at the customer call center in Springfield. There may be additional non-union members whose jobs are at risk, but Local 273 did not estimate the number. Local 273 added the approximately 25 jobs in Brockton to the approximately 75 employees in the telephone call center to develop its estimate that 100 jobs may be affected. As the June 21, 2005 letter from Jovette Pino (Attachment 1 to Local 273's June 21, 2005 "Reply to Company's Opposition") makes clear, NiSource has already sought to set a date for negotiations regarding the layoffs. Based on information and belief, NiSource has sent a similar letter to the United Steelworkers local regarding the layoffs that will occur at the telephone call center.

The documents just cited have all been filed with the Department in this case either as attachments to the Motion or to Local 273's Reply to the Company's Opposition to the Motion.

DTE 05-27
June 29, 2005

Witness Responsible: Kevin Friary

DTE IR 1-5 (to Local 273)

Q: Please refer to Motion at 2. Please provide the "IBM Personal Profile Sheet" circulated to Bay State employees.

A: The IBM Personal Profile Sheet is Attachment C to the Motion.

DTE 05-27
June 29, 2005

Witness Responsible: Kevin Friary

DTE IR 1-6 (to Local 273)

Q: Please refer to Motion at 2. Local 273 states, "Bay State employees whose jobs are most likely to be outsourced include those who perform billing functions and those involved in answering phones and providing customer service." Explain why Local 273 asserts that billing and customer service functions are most likely to be affected, providing all supporting documentation.

A: The statement was based both on NiSource's own public statements and the limitations on which jobs could conceivably be outsourced. In the June 21, 2005 Bob Skaggs letter (Attachment 1 to Local 273's Reply to Company's Opposition), Mr. Skaggs listed seven departments or functions that will be affected by the NiSource outsourcing. In Massachusetts, the "Customer Contact Centers" function would include the call center located in Springfield that answers calls and provides customer service. The "Meter to Cash" function would include the billing personnel in Brockton. This is why Local 273 identified those who perform billing functions and those involved in answering phones as most likely to be outsourced. Conversely, Local 273 believes that the other five business functions or departments that Mr. Skaggs listed are largely performed by employees located outside of Massachusetts and that few Massachusetts employees will be affected.

In addition, Local 273 believes there are limitations on the extent to which functions such as day-to-day maintenance can be outsourced, which only reinforces Local 273's position that the "Customer Contact Center" and "Meter to Cash" functions are the most likely places for job reductions to occur.

DTE 05-27
June 29, 2005

DTE IR 1-7 (to Local 273)

Q: Please refer to Motion at 2-3. Local 273 states the telephone response rate of Bay State and its New Hampshire affiliate “plummeted” as a result of staffing level reductions at the Company’s Springfield call center approximately three years ago. Please provide evidence supporting this telephone response characterization; also, explain and document, in detail, why Local 273 asserts the company’s response rate was detrimentally affected as a result of staff reductions.

A: (a) In terms of the telephone response rate, Local 273 was relying on the telephone response rate of the Springfield, MA call center as reported by Northern Utilities (Bay State’s affiliate) to the New Hampshire Public Utilities Commission (NHPUC) in NHPUC DG-182, cited in note 4 on page 2 of the Motion. It is Local 273’s understanding that the call center handles calls from Bay State’s customers in Massachusetts as well as Northern Utilities’s customers in New Hampshire, so that the telephone response rate reported to the NHPUC represents the response rate for both New Hampshire and Massachusetts customers. Northern Utilities reported its telephone response rate on a monthly basis to the NHPUC. Bay State reports annually to the DTE.

Local 273 has in its possession several of the monthly reports filed by the NHPUC from January 28, 2003 to November 5, 2003. As the January 28, 2003 report shows (p. 2), the reported telephone response rates for November and December 2002 were, respectively, 74.6% and 74.0% (although even these figures were below the stated target rate of 80%). The enclosed monthly reports show that the response rates then plummeted through June 2003: January 2003: 59%; February 2003: 46.6%; March 2003: 44.9%; April 2003: 59.6%; May 2003: 59.4%; June 2003: 69.8%. The telephone response subsequently increased to higher levels.

Local 273 is providing the Department all of the monthly NHPUC reports in its possession. Due to the bulk nature of the documents, Local 273 asks parties who may be interested to request copies; Local 273 will not serve hard copies automatically on parties.

[This part (a) response was prepared by counsel who drafted the Motion. By offering this answer, Local 273 does not waive its right to claim the attorney work-product privilege or attorney-client privilege as to any other information requests based on documents drafted by its counsel.]

(b) In terms of the asserted connection between staffing levels at the call center and the plummeting telephone response rate, Local 273 officers were generally aware of staff reductions at the call center through informal conversations with the Steelworkers local that represents those workers.

Local 273 does have a few documents in its possession relating to this information request. As Local 273 noted in a April 16, 2003 letter to then-Chairman Paul Vasington, Local 273 had conversations “with NHPUC staff [that] confirm Local 273’s own understanding that Bay State/Northern simply had too few staff available to answer a sufficient percent of calls within 30 seconds during the beginning of 2003 . . . Local 273 understands that the parent company would not approve needed hires, although it recently changed course and authorized the hiring of temporary workers in light of the plummeting results reported to New Hampshire.” (Copy of letter attached).

On May 20, 2003, Local 273 again wrote to then-Chairman Vasington and noted “that staffing at the Springfield call center dropped from 71 FTEs in June 2001 to 58 FTE’s in June 2002,” based on the April 24, 2003 Northern Utilities monthly report to the NHPUC (one of the monthly reports described above in (a)). (Copy of letter attached).

[This part(b) response was prepared by Kevin Friary and Local 273 counsel. By offering this answer, Local 273 does not waive its right to claim the attorney work-product privilege or attorney-client privilege as to any other information requests based on documents drafted by its counsel.]